MAULANA ABUL KALAM AZAD
ESSAY COMPETITION

(Award Winning Essays 1994–95)

South Asia : A Vision of Its Future
And How to Realise it

INDIAN COUNCIL FOR CULTURAL RELATIONS

Publisher's Note

Maulana Abul Kalam Azad was one of the most important leaders of India's freedom struggle. He combined in himself the introspection of a man of learning and the boldness of a man of action. At a very young age he plunged into the freedom struggle becoming the youngest person to be elected as President of the Congress Party, a post in which he served two terms. He was independent India's first Education Minister. He not only left a deep mark on educational policy but also set up a chain of institutions and academies to develop and nurture the scientific, technological and cultural progress of the new nation. In all that he did, he was imbued with a deep sense of nationalism and a secular outlook which prided itself on India's composite culture. His ideas continue to be of great relevance as we build a democratic, pluralistic and secular India.

To popularise Maulana Azad's ideas with the younger generation, the ICCR commenced an annual Maulana Azad Essay Competition in 1989. ICCR is glad that the Essay Competition has aroused keen interest as evident in the growing number of entries and also the quality of the entries received.

It gives me great pleasure to bring out the inaugural issue of the book containing the prize-winning essays of the 1994–95 Essay Competition. I take this opportunity to thank all the contributors and the members of the ICCR who helped to bring out this special issue.

(Meera Shankar)
Director-General

Background

When Shri Humayun Kabir, the then Minister of Civil Aviation, presented the manuscript of Maulana Abul Kalam Azad's *India Wins Freedom* to ICCR on 11 March 1958, he requested that the income derived from it should also be utilised to build a fund called the "Maulana Azad Prize Fund" whose interest would be utilised for the annual award of two prizes to be paid for the best essay on Islam in English by a non-muslim Indian citizen and the second prize for the best essay in English on Hinduism by an Indian muslim citizen. From these small beginnings, we have today, the Maulana Azad Essay Competition.

The Council started the essay competition in 1989 to coincide with the centenary year of Maulana Abul Kalam Azad, our first Education Minister and former President of the Indian Council for Cultural Relations.

This competition is open to citizens of India and other SAARC countries below 30 years of age. The topics of the essays are generally related to Maulana Azad's life, his thinking and ideology. While the prize winners of the second and the third prizes are sent the prize money and the certificates by post, the first prize winners are awarded their prize at a function and their prize given by the President of India.

The topic for the first competition was *Secularism and Nationalism* and altogether 109 essays were received. Four prizes, including two special prizes, were awarded to the winners of the essay competition which included a special prize of Rs. 2,000/- to a student from Bangladesh.

From 1990 onwards it was decided that the competition would be conducted in three languages, that is, in Hindi, Urdu and English but the topic would remain common for

all the languages. The competition gained popularity and a total number of 118 essays were received. The topic was *Philosophy of Humanity as expressed in the Holy Quran*. Four prizes were given in Hindi and English and three in Urdu. In English, a scholar from Bangladesh was given a special prize of Rs. 5,000.

The competition gained steady popularity and the number of entries rose to 142 in 1991-92 and 239 in 1993-94.

The subject for the 1993-94 Essay Competition was *Maulana Azad and Secularism* for which the total number of entries received was 239. Three prizes each in Hindi and Urdu and five prizes in English including a special prize of Rs. 5,000/- was awarded to a student from Pakistan.

The format for the 1994-95 Essay Competition was modified by giving different topics in the three languages: Hindi, Urdu & English, which are as under:

English	**My vision of the future of South Asia and how such a future should be realised.**
Hindi	**Maulana Ki Nazaron main Shiksha aur Sanskriti.**
Urdu	**Maulana Azad Ka Taleem-a-Nazaria.**

The total number of entries received for 1994-95 was 225.

The prize distribution function is scheduled for 11 November 1996.

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South Asia—A Vision of Its Future And How to Realise it.

Subhobrota Ray (Muhuri)

Introduction

If the 19th century belonged to Europe and the 20th century to America, the 21st century, it could be claimed, would see Asia in a pioneering role. In effect, contemporary global economic and political history has witnessed the breathtaking and miraculous transformation of major Asian countries from underdeveloped economies to vibrant and dynamic ones. The remarkable vigour of the Asian 'Tigers' has caused the world to look at the East with renewed interest. The question which inevitably arises is that, should the less fortunate economies of South Asia be left behind in this phenomenal process of transformation of Asia? Is it impossible for these economies to repeat the East Asian magic, and convert themselves to dynamic economies by the turn of the century? This essay seeks to provide an answer to this and seeks to establish that, albeit a late starter, South Asia has already embarked upon a process of transition which will culminate in a process of sustained growth for the region as a whole.

South Asia in this essay is taken to comprise the countries of India, Nepal, Bhutan, Bangladesh, Pakistan, Maldives and Sri Lanka. It is difficult to analyse the course of the future without glancing at the present. Section I, therefore, briefly sketches an economic profile of the region. Section II attempts to look into the relevance of regional economic groupings with reference to South Asia. Section III deals with the future options for South Asia, and suggests an action plan for the region as a whole, which would enable South Asia to finally 'take-off' and turn that vision of a dynamic power into a reality.

I

Economic Profile of the South Asian Countries

The countries in South Asia are in the process of transition from a regime of government controls to a market based system. Low growth of per capita income for most of the post war era have prompted these economies to finally undertake far-reaching structural reforms and stabilization programmes, with the hope of emerging from the vicious cycle of low investment, low saving and low growth.

South Asia has achieved a measure of success in its stabilization efforts. However, progress on the economic front has till now been modest, as there are the expected lags before the benefits of the ongoing reform programmes become manifest. The most recent wave of reform began in 1989 in Sri Lanka, in 1990 in Pakistan and in 1991 in India, Nepal and Bangladesh.

In 1994, the GDP growth in South Asia averaged 5.1%, 1% higher than in 1993. Most economies in the sub-region enjoyed an acceleration in growth during this period. Agriculture occupies a predominant position in most of these economies and contributes a major percentage to GDP. However, agriculture is still dependent on the vagaries of the monsoon. Industry is relatively underdeveloped and is technologically dependent on the West.

The tables below show the growth rates of GDP and the sectoral contributions to GDP for individual South Asian economies.

Table I: Growth Rate of GDP—South Asia (per cent per annum)

	Base year	Avg. 1981–1990	1989	1990	1991	1992	1993	1994
South Asia		5.6	6 3	5 4	1 9	4 8	4 1	5.1
Bangladesh	1985	4.1	2 5	6 6	3.4	4 2	4 5	4.6
Bhutan	1980	7.5	4.7	6 3	3 5	3 7	5.2	5.1
India	1980	5.7	6.9	5.4	0 9	4 3	4 3	5.3
Maldives	1985	11.7	9 3	16 2	7.6	6 3	6.2	5.5
Nepal	1975	4.9	5 4	4.9	6.4	4.6	2 9	7.0
Pakistan	1981	6.2	4.8	4.6	5.6	7.7	2.3	4 0
Sri Lanka	1982	4.2	2.3	6.2	4.6	4.3	6.9	5.7

Source: *Asian Development Outlook* 1995 and 1996.

TABLE II. Sectoral Share of GDP—South Asia (per cent)

	Agriculture			Industry			Services		
	1970	1980	1994	1970	1980	1994	1970	1980	1994
Bangladesh	—	49 4	34 9	—	14 8	18 9	—	35.8	46.2
Bhutan	—	56 7	42.4	—	12 2	24 8	—	31.1	32 9
India	44.5	38.1	29.0	23.9	25 9	29 6	31.6	36.0	41 5
Maldives	—	—	—	—	—	—	—	—	—
Nepal	—	61.8	43.3	—	11.9	19 0	—	26 3	37.7
Pakistan	40.1	30 6	23.9	19.6	25.6	27.1	40 3	43.8	49 0
Sri Lanka	30 7	26 6	20.5	27 1	27 2	30 1	42 2	46.2	49.4

Source: *Asian Development Outlook* 1995 and 1996.

Inflation continues to be a persistent problem for these economies, and could be attributed to the persistence of large fiscal deficits, monetary expansion partly due to the recent surge in foreign capital inflows, and supply side constraints. The average increase in the consumer price index across the sub-region was 10.3% in 1994. In the current year, it is unlikely that the overall inflation position would change much. Rising food prices may lead to rise in inflation in Bhutan and Bangladesh, and inability to contain the fiscal deficit could make inflation reduction difficult in India.

In contrast to South-East Asia, the South Asian countries, except for India, have very low domestic savings rates even in comparison with developing countries in the other regions at similar stages of development. As a result, most of these countries have continued to remain heavily dependent on external assistance to meet investment needs. Long term official inflows met about 65% of their external resource requirements in the 1990s. However, in recent years with several South Asian economies liberalising their trade and payment regimes, as well as introducing improvements in the functioning of the capital markets and making their foreign direct investment regimes more attractive, private capital has started flowing into these economies. In 1993 and 1994, about half of external resource inflows in these countries was from private sources, mainly because of a sharp rise in portfolio equity investment. Turning to experiences of individual economies, it is to be found that foreign capital inflows did not automatically push up

investment rates in 1993 and 1994 in India and Pakistan. Instead, these inflows contributed to a sharp increase in foreign exchange reserves. In the case of Sri Lanka, investment rate picked up only in 1993 and 1994, although external resource inflows had been miserable since 1991.

Surge in Capital inflows results in accumulation of foreign exchange reserves with increase in money supply, thereby exacerbating inflationary pressure. Despite intervention by the Central Bank, India was not particularly successful in containing the fiscal deficit to counter the expansionary effects of capital inflows. Pakistan too had limited success in containing the fiscal deficit despite a tight monetary policy stance of 1994. However, acceleration in the rate of growth of GDP as a consequence of external capital inflow was evident for most of the economies, although this may have become possible through the adoption of a combination of policies to improve macro-economic management through structural reforms in the industrial, trade and financial sectors.

A legacy of inward looking policies largely directed by the State has left South Asia with a comparatively small external sector. The total value of exports from South Asia is about one-tenth of that from NIES (Newly Industrialising Economies) and about one-quarter of that from South-East Asia. However, in recent times, exports from South Asia have shown promising signs of growth. In 1993, the value of merchandise exports grew by nearly 16%. The export basket consists primarily of agricultural products, like tea, jute and cotton, agricultural products, textiles and garments, carpets and light engineering goods. These economies continue to rely heavily on import of Capital goods. Import growth is likely to remain strong in the near future, as demand for capital goods is likely to rise with increase in investment in Industries.

Faster growth of imports compared to exports has resulted in persistent deficit in the trade account for all these economies. There are extreme cases—for instance, Nepal's current account deficit amounted to 7.7% of GDP and that of the Maldives to 18% of GDP in 1994. Balance of payments problems continue to pose a serious threat to the economies

of this sub-region, and debt servicing continues to be a persistent problem. The table below shows the debt service ratio as percentage of GDP for the countries of this region.

Table III. Debt Service Ratio—South Asia (per cent)

	1989	1990	1991	1992	1993	1994
South Asia.						
Bangladesh	20.3	28.5	20.3	16.0	13.5	13.6
Bhutan	5.6	7.4	6.7	6.3	17.4	20.6
India	28.3	31.2	30.6	29.4	28.4	24.9
Maldives	6.3	4.8	4.0	3.2	3.8	5.0
Nepal	15.5	17.6	13.8	11.5	8.5	8.6
Pakistan	23.4	23.2	21.5	24.0	24.7	26.9
Sri Lanka	18.6	14.0	13.9	13.1	9.9	11.9

Source *Asian Development Outlook* 1995 and 1996

Turning to fiscal regimes, one is likely to find that for most of the South Asian economies, tax revenues constitute the primary source of Government revenues. However, in most of these economies, direct taxes comprise a relatively small share of total revenues. Agricultural incomes are virtually unaccounted for, or not included in the tax base. Excessive dependence on indirect taxes, or trade taxes in particular, often result in fiscal regimes which are not only complex, but are also inefficient in terms of distorting the structure of incentives. The existence of the parallel economy causes further problems in terms of tax collection and enforcement.

II

The Relevance of Economic Groupings

The brief economic outline of the South Asian region would seem to point towards the common economic areas requiring focussed attention. Most of this region has shared a common past and heritage, withstood the perils of natural calamities, wars, and the turmoils of a colonial rule and its aftermath. The region possesses a culture and belief unique to this part of the world, and alien to that of the West. South Asian economies despite their differing national objectives, and significant barriers in understanding, stand to gain from this thread of commonality which cuts across geographical

and national boundaries and has the potential to establish themselves as a coherent regional force.

A new form of world order is emerging today. With the dissolution of the cold war, the struggle for power is now focussed on the arena of trade and economics. In fact, what one is likely to see in the future is a new kind of superblock rivalry, but taking place in the economic rather than the military sphere. A remarkable aspect of contemporary global economic and political history has accordingly been the proliferation of regional economic groupings. It has been perceived that economic complementarities between geographically contiguous regions can be exploited by projects and policies, so as to lead to efficient utilisation of resources, improvements in international competitiveness and sustainable growth. The formation of the European Economic Community (EEC) and North American Free Trade Agreement Community (NAFTA) in the West and Association of South East Asia Nations (ASEAN) and Asia Pacific Economic Co-operation (APEC) in Asia, can be cited as instances of success stories in regional economic co-operation.

Now the inevitable question is, can the South Asian Economies effectively project themselves as a united forum in the international economic order? The potential gains from an effective regional grouping are many. Proponents of regional economic co-operation would stress that such co-operation would make possible welfare gains associated with trade liberalisation, and through access to economies of scale, enable establishment of industries which would otherwise not be feasible. The emergence of new trading blocks across the globe and strengthening of existing ones, has put forward new challenges and the necessity to look for newer options. Nearly 50% of world trade is confined to within trading blocks and intra-free trade areas activity. Further, it is to be realised that if the trading blocks like EEC and NAFTA, tend towards protectionist policies, it is the economies passing through the transitional phase in South Asia, which will be hard hit. To counter the increasing tendencies of industrial economies to impose conditionalities on international trade, whether as a social or an

environmental clause, it is necessary for these countries to organise together and cultivate new markets in the vast and underdeveloped population of their regions. Evidence suggests that increased regional integration of other South East Asian countries has helped to mitigate for them some of the less favourable influences of the world economy, and has contributed to improved growth and efficiency. Slower growth during the recessionary phase in the developed countries of the West, exerted a smaller drag on the performance of these economies. They proved that for developing countries, regional integration is the primary step towards globalisation. The post GATT era is also likely to see growth and development of sectors in which the South Asian economies enjoy a latent comparative advantage. Therefore, it is high time that the economies of South Asia realise that meaningful economic co-operation may be the only option ahead to ensure a greater say in international outcomes, as well as create conditions for overall growth.

SAARC and SAPTA

SAARC (South Asian Association for Regional Co-operation) was formed as an answer to this growing need in 1985. The SAARC member-states viz. Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka, also agreed in principle at the recent SAARC summit (May 1995) in New Delhi to ratify the South Asian Preferential Trade Arrangement (SAPTA) by 8 November 1995. In all probability, the arrangement will be operational by 8 December 1995. The very establishment of SAPTA should be a milestone in the regional economic integrative process. The idea is to eventually convert it to SAFTA (South Asian Free Trade Association).

To quote from the inaugural speech of Mr. P. V. Narasimha Rao at the 8th SAARC Summit: "Our objective must be to work practically towards a free market of the countries of the region and integrate our economies to enhance their range and dynamism and our collective strength in the global trading community". After years of negotiations, since the initiation of SAARC, the countries have announced a list of items which they would jointly consider for tariff

concessions. Preferential trade arrangement will help countries protect their nascent industries as well as promote sectors which have a competitive edge in the region. This may be the only route to make intra-regional trade which has so far been negligible, more meaningful.

The launching of the SAPTA is designed to increase intra-regional trade and the region's bargaining strength in the global market place, and eventually create the long desired South Asian Economic Community (SAEC). The passage from SAPTA to SAFTA, and thereafter to SAEC is indeed a long one, and whether this could be achieved in reality, depends upon a host of predictable and unpredictable factors.

Stumbling Blocks in the Way of a Fruitful Co-operation

As the less transparent economies of South Asia try to repeat the success story of the East and South-East Asian 'Tigers', a host of political and economic factors threaten to stand in the way. Unlike East Asia, this region is riddled with civil strikes, ethnic conflicts and other upheavals like religious fundamentalism which make the enforcement of any form of uniform fiscal or monetary discipline difficult. Besides, resolution of political differences is an essential pre-requisite for meaningful economic co-operation. History abounds with examples where commonality of political purpose has led to successful economic integration. France and Germany fought three titanic wars between 1871 and 1945, and one of the major driving forces behind the EEC (European Economic Community) was the determination to forge closer links between France and Germany to prevent the occurrence of another war. The cold war gave the western european nations another urgent reason to come together economically to gain in strategic strength. The same pattern is evident in ASEAN—which was formed as a political group opposed to the threat of communist expansion from Vietnam and China. In this case, SAARC cannot achieve its full potential unless major political differences between its members are settled.

Even if political issues were more manageable, the fact remains that there is not sufficient economic incentive to

force the pace of regionalisation of trade in South Asia. These economies, being underdeveloped, need trade links with the developed world more than with each other. The developed world is the source of advanced technology, and trade with these countries also means access to the largest markets in the world. Moreover, there is the common fear shared by India's neighbours that benefits of intra-regional trade expansion are likely to be distributed in favour of the former. In 1993–94, India had a trade surplus with every country of the region. Trade liberalisation will widen that surplus as also the resentment. This is why perhaps, the list of items on which preferences are being offered is small. Agreement for tariff reductions has so far only been possible on 50 items out of 400 items on the agenda. The transition from SAPTA to SAFTA may, therefore, not be an easy one. In a preferential trade agreement, each country retains sovereignty over its import controls and merely grants a few concessions. A free trade area would however imply dismantling customs barriers, and surrendering to a harmonised import regime. At the present stage, this may seem a little difficult.

III

The Future

What then does the future hold for South Asia?

Can the countries of South Asia join forces to fortify their collective strength and become a part of the global resurgence? The answer to this depends on two major factors. On the one hand, emergence of South Asia as a major player in the global field would depend to a large extent on the strength and success of the regional trading arrangement and to what extent, it becomes a force to contend with in international affairs. On the other, the overall development of the sub-region would as a matter of course depend on the development of individual economies in the region.

Blue-Print for the Future

The agenda for the future, therefore, is two-fold. First, to concentrate on appropriate policies and strategies for the

development of individual economies of the region, and second, to formulate an action-plan for strengthening regional economic co-operation.

Development of Individual Economies

South Asia has still to broach many difficult reforms. Although almost all the economies have embarked upon a process of structural reforms and macro-economic adjustment of the economy, there remains much to be done. Public enterprise reforms, agricultural reforms, reforms in trade and industry,and for these, finance and public administration restructuring have to be carried to their full conclusion. A significant acceleration in the growth of the sub-region will require consolidation of existing reforms and further progress in applying reforms at the micro-economic level. The development of a vibrant private sector that can absorb resources unleashed from inefficient activities, may be the key towards transition to a pro-market system. The future pace of reform programmes will also depend on winning a broad consensus about their potential benefits.

Further reforms are called for in the fiscal structure. Efforts should concentrate on widening the tax base and improving income tax collection. Revenue from indirect taxes should be generated using a broad-based domestic tax on consumption that does not affect intermediate transactions or exports. Taxation of agriculture should be given due consideration. In the haste to provide foreign investors with incentives to bring in capital, governments should avoid tax policies that may lead to large losses in revenue.

To come to the issue of foreign capital inflow, it is increasingly apparent that the economies in this sub-region will continue to depend on external sources of capital for financing investment projects. Access to international aid is not getting any easier as donors concerned by domestic and economic problems are reluctant to grant developmental assistance. Therefore, recourse to foreign direct investment (FDI) and portfolio investment, may be the only option available. A credible record of prudent macro-economic management and the extent to which investment opportunities remain attractive vis-a-vis other recipient countries

is a pre-requisite for attracting private external resources on a sustained basis. The credit rating of the recipient country in international markets would also be an important consideration in this case. The countries in question should also devote attention to upgradation of basic infrastructural facilities which in most cases has remained under-developed. The existence of supportive infrastructure, or a credible plan of expanding infrastructural facilities, is an important condition for attracting FDI. A combination of these features is likely to attract long term capital. Simultaneously, it is also essential to devise an appropriate policy mix to mitigate possible adverse effects of large capital inflows relating to expansion in monetary base and inflationary pressures, real exchange rate appreciation and the building up of external liabilities. Overall growth performance of these economies would crucially hinge on choosing an appropriate policy mix and balancing of internal and external factors. Policy adjustments to maintain international competitiveness are crucial if exports are to perform well in global markets. This has serious implications for the overall balance of payments position for the economy. Sustained efforts are also required to improve technology and increase labour productivity.

While there may be interruptions and detours on the way, it is unlikely that the growth process which has been set in motion will be reversed. The process might be slow and halting, and a significant short-term improvement in overall growth may not be visible, but the steps taken have been in the right direction and pro-market reforms with their emphasis on liberalisation are bound to make their presence felt in the long run

The Future of Regional Economic Co-operation

As already emphasised, contemporary developments in the world economic and political structure, have necessitated creation of effective trade blocks. The potential for development of a successful forum in South Asia, as envisaged by SAPTA, is enormous. It only remains to exploit this potential to the fullest extent. In order that our vision of a dynamic South Asia taking its rightful place in

the world, as we march towards the 21st Century becomes a reality, it becomes increasingly essential to concentrate on certain key areas.

At the intra-regional trade level, considerable opportunities for trade exist in areas such as fresh and value-added fruits, processed vegetables, dairy products, palm and coconut oil, leather and leather goods, wood products, chemicals and pharmaceuticals, mineral based products, rubber based products, spices, ceramics, textiles, agricultural machinery, and light engineering goods. Trade in services could also form an essential component of intra-regional trade. Collaborative arrangements and joint ventures in areas such as tourism, computer software, publishing and consultancy services could yield mutually beneficial results.

In order to realise substantial benefits from a tangible preferential trade arrangement, these nations should focus not just on trade diversion but on substantial trade creation in the region. Countries would find it to their advantage to select sectors for specialisation and thereby conduct trade relations on comparative cost advantage basis. Setting up of a 'Regional Development Bank' would also be of advantage to member-states. Also, as part of the institution building exercise, members could explore the possibility of starting a regional EXIM-Bank. Other trade creation measures could include adding flexibility to visa regulations and, establishing a regional council of commercial arbitration for redressing trade disparities. Member-States must also acknowledge the usefulness of overland trade. Joint marketing of select products like tea, coffee, marine products, jute and spices, would fetch competitive prices in the international market. This is a possibility which could be explored.

Task forces or core committees comprising experts from different regions could be constituted to identify, locate and undertake surveys on future prospects of intra-regional trade. It is equally important that recommendations of these surveys be implemented to achieve desired results. Business delegations to member-countries could be organised to explore possibilities of joint ventures and mutually beneficial investments. Trade fairs could also be organised within the

member-countries. Creation of a data base of information on trade, industries and production for the nations is equally essential.

In addition to the economic agenda, it needs to be borne in mind that human development indicators are unsatisfactory for large segments of population in these countries and a joint pursuit of social causes is absolutely essential for the 'uplift of people in the larger sense....' Member-states would also realise to their mutual advantage that co-operation is vital if the scourge of terrorism is to be eliminated from the region altogether.

India is destined to play a central role in this process of regional integration. By virtue of its diversified production base, larger exportable surpluses and the sheer size of its economy, India is in a better position to open up its economy. Initially India cannot expect equal reciprocity from the other States in the process of trade creation. Larger concessions from India would convince its neighbours of the necessity to boost complementary trade.

A number of healthy steps has already characterised development of the regional forum. Institution building for strengthening SAPTA is already underway. The SAARC Chamber of Commerce and Industry is co-ordinating with national chambers for setting up regional bodies like SAARC Shipping Council, Productivity Council, etc. Breaking new grounds in inter-regional economic co-operation, the SAARC grouping has decided to sign an agreement with the 15-member European Union (EU). The member-states have also in principle decided to adopt a common position in international conferences held under the aegis of the United Nations, its agencies or other regional groupings.

In effect, there is tremendous potential and scope for South Asia's integration with the economies of East Asian and Pacific Regions. In fact, South Asia could become a natural candidate for closer ties with ASEAN and APEC.

With SAPTA becoming an operative reality, the incentive for these countries to interact with the South Asian region as a whole, would also become attractive. These opportunities of forging closer links with other regional trade blocks, should be explored to the fullest extent.

However, it is essential to ensure that with increasing regional trade agreements, the economies do not become overtly inward looking. There are several instances of fall out of many other regional economic groupings of LDCs e.g. the Caribbean Common Market (CARICOM), the Central American Common Market (CACM), the Latin American Integration Association (LAIA) and the Economic Community of West African States (ECOWAS) among others. Therefore, SAPTA cannot work in isolation from broader economic policies in the region. We are approaching today McLuhan's 'Global Village'. Technology has rendered barriers irrelevant. An economic falter in one part of the world effects another. The late 1990 are likely to see a further increase in the rapidity and degree of change on a global scale. South Asia's overall policies should, therefore, be in conformity with these trends of globalisation. The objective of working under a regional trade arrangement is to improve marketability of products, increase productivity at home and competitiveness abroad. Isolation from emerging world trends could only deter growth. Regional integration should be viewed as a step towards globalisation.

Conclusion

Thus, South Asia will have to rise above residual prejudices to evolve a positive framework of co-operative economic development. It requires the people of the region to grow out of the engendered feeling of hostility towards their neighbours and come together for the common good. Positive concrete results may be difficult to produce in the immediate short run in the sense of catching up with western nations in their advanced stage of development. What is required above all is that South Asia must find its own way to address the real requirements of its region and develop a vision for, and pride in, its regional community as it attempts to integrate itself with the global economy. A beginning has been made and South Asia is ready to take on the challenges of the future and carve out a niche for itself on the world's economic and political stage

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My Vision of South Asia and How Such a Future Should be Realised

Shambhavi Vedantam

> " a great country, the whole earth, and a great hope, the whole heaven".
>
> —Victor Hugo

A child and a man were one day walking on the seashore when the child found a little shell and held it to his ear. He heard sounds—strange, low, melodious sounds. The child's face filled with wonder as he listened. Then came the man, explaining that the child had heard nothing new; that the pearly curves of the shell simply caught a multitude of sounds too faint for human ears.

It was an experience of this sort of unknown familiarity which had awaited us when, we, the South Asians, had begun our journey towards regional co-operation in our region.

When one talks about the vision of the future, the need to strengthen and redesign existing structures and arrangements should also be re-emphasized. Moreover, the future cannot be built without a deep sense of feeling for and commitment to the past. Therefore, in this essay an attempt will be made to put together a cluster of ideas on the rationale behind regional groupings like SAARC, the principles that should govern their competence and their limitations, the burden of conflicts in the region, the consolidation of functional co-operation, the search for economic co-operation, the apparent constraints in cultural co-operation, the necessity for political dialogue and the need to explore other areas of common interest. In the light of these ideas and against the backdrop of an overall assessment of progress made so far by SAARC, this essay

will also outline the steps for consolidation of the SAARC spirit and measures for promoting it.

The South Asian Association for Regional Co-operation (SAARC) is one of the most recent attempts in the world towards co-operation at the regional level. It is celebrating its tenth birthday this year.

South Asia, with about one-fifth of the world's population and a reservoir of abundant natural resources, and having the potential of vast and untapped markets for trade and industry is a region of considerable size and significance in global terms. South Asia is also a distinct civilizational and geopolitical entity. The region has had a certain amorphous individuality and unity in its long history, and each part of it has, even today, deep down in its consciousness, memories, dim or vivid, of affinity and association with a larger sphere of existence.

Moreover, the South Asian region is heir to a common heritage of cultural traditions, religions and languages, indeed of civilizational affinities rooted in the past. Cultural, ethnic and linguistic commonalities make for a unique overlay in terms of cross-border linkages and overlaps. In other words, we, in South Asia are, whether or not we are conscious of it or acknowledge it, the receivers of a complex and variegated heritage, all churned in the cauldron of history and re-emerging today with their identities clarified though mellowed in the process of prolonged interaction. That is why when two South Asians meet face to face in whatever corner of the globe, they react to each other with what can be described as an inner pleasant shock of recognition.

Further, South Asia remains an environmentally coherent region sharing common river systems, mountain ranges, oceans and ecological cycles. This makes for an inescapable inter-relatedness in terms of management of environmental resources and ecological survival in the face of recurring natural disasters—floods, droughts and cyclones, failed monsoons—having an impact directly on the fate of the peoples in this region.

Sadly, South Asia also shares the uneviable record of being the poorest region in the world with the largest number of

poor inhabiting it. Thirty to forty per cent of South Asian people live below the poverty-line. The figures for malnutrition, and inadequate health-care are staggering. The region continues to groan under the cultivative pressures of population explosion. Comprising three per cent of the world's total area, it has a population of 1.1 billion making for about twenty one per cent of the world's population. An abysmally low literacy rate particularly among women and weaker sections of the society—a mind-boggling 135 million children having no access to school education—only compounds the problem.

Another peculiar characteristic of the South Asian region is the manner in which the intra-regional and domestic dimensions of regional conflict have become inextricably interlinked. Further, the dramatic changes and developments in international politics have also had a profound impact on the co-operative and other related efforts in the region.

Further, all South Asian economies remain mired in the trap of rising unemployment and inflation aggravating the pressures of underdevelopment. Four South Asian countries—Bhutan, Bangladesh, the Maldives and Nepal—have been officially designated as the Least Developed Countries (LDCs). Even India, with its creditable record of agricultural and industrial development, is beset with increasing challenges of widening economic disparities and a steadily rising number of people living below the poverty line. The status of Pakistani economy offers even less ground for comfort. The crying need for a shared commitment to speedy socio-economic development in the region and improvement in the quality of life of its peoples is thus self-evident.

Yet, South Asia remains essentially fragmented as is reflected in the deep-rooted diversities in the region in terms of disaggregated levels of power-potential, strategic dissonance and political complexities.

The question that comes to one's mind is: why is the region fighting shy of genuinely proceeding on the path of regional co-operation and why, in spite of so many commonalities and shared experiences, conflict, more often than not, overrules co-operation?

The answers to these questions requires one to touch upon ıe hurdles and difficulties which seem to have over-ridden ıe common features which could have promoted co- ɔeration. The issues which create conflict in the South Asian gıon can be broadly divided into five categories.

The first is that of the ıssues resulting from colonial gacies. The one hundred and fifty years of firm British rule South Asıa created many contradictions and generated storical distortions which were bound to emerge after the thdrawal of the British rule. The manner and pace of the itish withdrawal was such that a number of questions ɜre left unattended to by the withdrawing imperial masters. e creation of Indıa and Pakistan as two new dominions ıs the most serious distortion. The trauma of partition ·lded a host of other unanticipated problems like over- ;ht giving rise to a class of stateless and homeless persons.

n the second category, issues of political and ideological ıracters can be considered. The maın contention in this ard between Indıa and ıts South Asıan neighbours has ·n India's periodic support to political forces and characters t have been inimical to the prevailing establishments in ghbouring countries.

\nother basic problem is that we, in South Asia, have not got over old rivalrıes and disputes, as some of the other ions of the world. We have perhaps, not yet got exhausted wars, having not gone through a really big one making realize fully the futility and counter-productivity of l.

ı South Asia, perhaps, more than in any other region of world, one hears of the need to preserve the sovereign ıtity of smaller states in the face of a hegemonistic power. also hears the frequent reiteration of the principle of ·reign equality as a sacred prıncıple for relations among ɔns. Moreover, within the SAARC, the smaller partners ı to have the wısh to counter-balance the Indian giant ı while forging co-operation with it. And far from trying ɜep the world powers out of the region, the urge is to hem involved in the region. As for India, it is appre- ive of its securıty being undermined in what it considers e its strategic perimeter. Added to these are the

outstanding disputes that exist between India and some of the other countries (especially Pakistan). These have prevented the emergence of a common defence and foreign policy for the region.

Then there have been the issues of strategic conflict and military balance that have generated considerable ill-will and misunderstanding. They fall into the third category. Such issues have involved questions of conventional arms acquisition and military imbalance as well as rivalry with regard to nuclear capability. Acquisition of large quantities of sophisticated arms by the countries of the South Asian region from extra-regional sources has been a source of irritation in bilateral relations between the countries of the region. In fact, strategic discord is a characteristic feature of South Asian relations. This is due to the fact that security perceptions of India on the one hand, and, those of its neighbours on the other, have been divergent. While the former is concerned more with security challenges emanating from outside the region, and wants to emphasize the geostrategic unity of the sub-continent, the latter have seen the threat to their security and freedom of action being posed from within the region i.e. India, and have accordingly looked outside the region for support and protection against this threat. This divergence in perception has led the smaller neighbours to riggle out of, or erode, their bilateral and regional security obligations in relation to India.

Another driving force that has deterred regional co-operation is that unlike Europe or the South-East Asian region, perception of a common threat and a common enemy is not very much evident in South Asia.

The fourth category of contentious issues in South Asia arise from the spill-over of internal conflicts and turmoil in a given country on its neighbours. Such spill-over is caused in the form of political pressures within a neighbouring country because internal conflicts cause misery and human movement resulting into live borders, flow of refugees, administrative and economic pressures in the receiving country and so on. Some of the spill-over of internal conflicts and turmoil have not only vitiated bilateral relations but even threatened regional security and peace as was evident

during 1971 between India and Pakistan, between India and Sri Lanka during the 1980s and between the two Himalayan neighbours Bhutan and Nepal.

The last and the fifth category of contentious issues in South Asia may be described as those arising out of resource and developmental conflicts. The more serious aspect of such contentious issues is that they not only create bilateral conflict and misunderstanding but also inflict opportunity costs resulting from not harnessing the much needed and rich resources. Besides the resources, the pressure of development becoming unmanageable with the demographic explosion in the region has also created conflicts in South Asia. There are problems of trade and investment on the one hand and those of economic refugees popularly known as illegal migrants from one country to another. In this category, problems arising out of environmental degradation and the increasing number of people having to move due to environmental abuse and degradation also cause conflicts occasionally.

Therefore, in its chequered history, the backdrop of crises and conflicts constantly haunts the region even as regional co-operation inches its way towards progress.

It should be amply clear by now that SAARC has been a hostage to bilateral wrangles and vulnerable to the ups and downs of the ties of the member nations. This is ironic for the SAARC charter bars discussion of contentious bilateral issues and provides for unanimity as the basis for decisions. Hence, the question which arises at this juncture is how can one look for beauty in a hayfield in an objective manner.

It is sincerely believed that co-operation on a secular basis with their environment is the only course available to nations of our South Asian region. Debates on political tangles which have been handed over to the present generation by the previous ones have shown themselves to be futile if not counter-productive. Perhaps the countries might try the relatively easier path of economic co-operation and begin by embarking on the course of harmonised trade and economic policies. For the first time in recent history all the principal players in the political arena are following democratic pluralist forms of government. They can and

ought to engage themselves in an open dialogue on economic policy issues, particularly at a time when all of them are committed to taking steps to integrate their economies within the 'global village'. It is important that they let the concerns and the arithmetic of economic co-operation (including trade and sectoral co-operation) in the region override those of politics and power equations. Some of the proposals which can be considered in the field of economic co-operation could include:

1. Extension and deepening of the objectives and operations of the Asian Clearing Union;
2. Setting up of a South Asian Export Financing Agency;
3. Setting up of a South Asian Market Union;
4. Gradual co-ordination leading to integration of foreign exchange and monetary policies, commencing with a regional agreement on inter-country currency convertability; and
5. A common economic policy (fiscal and monetary) and the introduction of a single common currency.

There can be no bilateral, regional or international co-operation with the exclusion of trade, industry and finance from its scope. South Asia in this respect is in a deplorable state. The regional trade within SAARC is around four to five per cent of its total volume of trade. In the name of diversification of trade and the reduction of dependence on any one country, that volume of regional trade seems to be decreasing rather than increasing. The fear of the bigger and the more developed economy of India overwhelming the rest is a real one. But, a way will have to be found out and India, as the bigger partner will have to make concessions within reasonable limits to its neighbours. On the other hand, there is also a responsibility on the part of India's neighbours to understand its concerns. The implementation of SAPTA would be an important step towards freedom of trade in the region, a step that would make SAARC more of a functional reality, and shape its future in the years and decades to come.

Another field where co-operation can be sought is in the field of poverty alleviation and employment generation, for,

the main enemies of the region are poverty, ignorance, illiteracy, hunger and disease. In fact, the first of these breeds the other three. Mere populist slogans cannot resolve the real problems of deprivation. The only way to overcome these is to fight poverty and overcome it by reallocating a larger proportion of resources to poverty fighting programmes. Generation of wealth ought to be the primary concern of the countries of this region and reallocating the much increased wealth ought to be the main item on the agenda. Regional co-operation to help generate more employment opportunities and to alleviate poverty at a faster rate through collaborative and collective approaches needs to be based on the following considerations:

— Evolving a regional consensus at the highest political and administrative levels that unemployment and poverty need to get a much higher priority in national and regional development policies and plans than in the past.
— Such a consensus leading to attempts at regional harmonisation of not only the development of pro-poor national policies and plans generally, but also of relevant incentives for investment and production, import-export procedures, standards, intra-regional and inter-regional marketing strategies, etc., of products and services.

The major specific tasks which can be co-operatively undertaken on the basis of such consensus harmonisation and networking need to include:

— promotion of investment, production, and employment in rain-fed and dry agricultural and other disadvantaged areas, particularly in respect of foodgrains, household and cottage industries, tiny and micro enterprises etc.
— Collaborative development of pro-poor technological and organisational alternatives, particularly through judicious integration of modern and traditional technologies, organisational forms, attitudes, values, etc.
— Development of regional institutional, legal, legislative, marketing and other approaches to integrate the un-

organised/informal sectors with the organised/formal sectors; and

— Translating all these efforts to promote more efficient and effective intra-national, intra-regional and inter-regional production, distribution and trade of labour absorbing products and services.

While this is a broad agenda of tasks, more sector, sub-sector and product group based research would be required to help specify the tasks more concretely. Such specification could lead to specific regional programmes and project proposals which are integrated with and supported by both official and unofficial activities in the SAARC region Among the emerging regional activities, The South Asian Development Fund, the SAARC Fund for Regional Projects, the SAARC Food Security Reserves, SAPTA, and SAARC Chamber of Commerce and Industry in particular need to incorporate regional employment generation and poverty alleviation as their major objectives. Such re-orientation of regional activities reinforced by similarly reoriented national policies, plans and programmes can help ensure that the benefits of regional co-operation ultimately percolate to the people at large.

The co-operation projects approved by SAARC add up to a significant list. The commitment to undertake measures for developing and improving the communication system, transit infrastructure and land transit facilities should be a priority if these are to keep pace with growth of trade within the region. To begin with, the South Asian countries need to improve the maintenance and efficient utilisation of their land transport and communication networks. But in addition, they need to co-operate in order to improve the physical and institutional aspects of their transport and communications systems to facilitate more efficient transit of people and goods across national borders

Moreover, a few joint ventures in handicrafts and cottage industries and in industrial projects could serve as models without adversely impunging political positions.

In rural development, anti-poverty and human development programmes there is much that can be done in the

region collectively. There is a wealth of experience in each one of the countries in the South Asian region from which they can all learn from each other in these vital fields. There is need to pool experiences, critically analyse them and then apply them to those conditions which are extraordinarily similar. In the very important field of exports, joint programmes in respect of jute, tea and rice can be most certainly worked out. This will help in increasing the total volume of exports, improve the quality of products and the competitiveness of the South Asian countries. It is important not to shun such co-operation in these areas of indisputably common interest in the name of politics A related aspect is that the South Asian nations can also learn from the valuable experiences and efforts at promoting regional interests from other regional groupings like ASEAN, European Union, NAFTA etc.

Another issue which needs to be considered is the protection and promotion of human rights of the South Asian peoples Uptil now this area has not been paid much attention. Linked up with this is the problem of terrorism. Though the SAARC Regional Convention on Suppression of Terrorism came into force in August 1988, concrete steps and sincere efforts have yet to be made to implement its provisions.

One realm in which South Asia has a supremacy is that of Culture. Ours is a composite culture the like of which, no people in any other part of the world have succeeded in evolving. It is, therefore, important to project this culture jointly to the rest of the world. The South Asian region can set an example to other regions of the world.

In order to initiate a fruitful political dialogue, uninterrupted, institutionalised, constructive, creative and structured dialogues at regional level are likely to help in the resolution of persistent bilateral problems as well as those that will emerge as regional co-operation acquires momentum. Mechanisms for confidence building and conflict resolution measures can also be undertaken. Moreover, current political structures and institutional arrangements also need to be further strengthened and clarified. What is really needed on the part of the South Asian countries is a firm political

will, vision and vigour while addressing seriously the question of regional stability and security.

Besides, the South Asian Nations can also take a firm stand on issues relating to arms race, NPT, women, children (especially child labour), problems arising out of ethnicity and xenophobia, labour, environmental degradation and abuse, refugee problems, illiteracy and malnutrition. They can seek co-operation in the field of education at various levels (especially technical and professional education) and development of tourism.

Non-governmental organisations, inter-governmental organisations/the media/the press, intellectuals, scholars, diplomats and political leaders can also help in fostering and strengthening the bonds which will promote co-operation.

The greatest resource of the South Asian region are its people. The South Asian region is like one small family. The people of the region have demonstrated great strength of character in the face of enormous difficulties. SAARC should therefore nurture this very vital human resource by looking after the health needs, housing problems, sanitation problems and work towards a healthier population. It is also necessary that people consider themselves as South Asians instead of thinking narrowly in terms of their separate nationalities. This will help in promoting a feeling of oneness, transcending national boundaries and give us greater strength vis-a-vis the world community. It is perhaps on such a wave of people's interest, enthusiasm and participation that SAARC could carry the governments and fulfil its destiny. That implies the growth of democracy in the region, of freedom for people to move, meet, mingle, talk, discuss and exchange ideas with one another. Several initiatives have already been taken. It is therefore, hoped that these initiatives will gather momentum and bring people together not withstanding eruptions of divisive and destructive forces like ethnic clashes, religious fundamentalism and communalism of various kinds in the various countries of the South Asian region, for, the broad sweep of developments in South Asia is towards tolerance, mutual understanding, co-existence and co-operation.

Moreover, institutions like SAARC must be given time to develop. In this, a two-pronged approach is necessary. Firstly, all efforts should be made to build on the positive achievements of SAARC and secure rapid progress to expeditiously implement all existing decisions. Secondly, attempts should continue to both, widen the scope of co-operation and also deepen co-operation in existing areas through consolidation of progress already achieved and building on it. Obviously, the concentration should be on what is feasible and practical. But at the same time, action that is inspired by vision should not be lacking.

Co-operation demands confidence on the part of smaller members and courage and generosity on the part of bigger ones. But, above all, every participant must realize that in a co-operative region, even major problems lose both their edge and meaning in the long run. The spirit of co-operation, if nurtured properly, can help in containing conflicts, and eventually resolving them. The over-riding consideration should always be that the bonds between the peoples of South Asia are permanent and their future is going to be common. SARC/SAARC will, therefore, have to build its future on the principles of secularism, democracy, peace and development. It will have to encourage the growth of the spirit of tolerance and freedom in the truest sense. Then, and then alone, will the people of South Asia find redressal of their grievances. A number of efforts for overcoming hurdles in the political field and for forging economic co-operation will thus help immeasurably in promoting and consolidating the SAARC spirit.

The people of South Asia have been heirs to a great past and can be the builders of a great future. Only if they face the future together with all its challenges and exploit all available opportunities can they be the inevitable architects of co-operation.

As one who is young and full of hopes and dreams, the tilt towards idealism is but natural, but idealism blended with pragmatism can alone realize 'My vision of the Future of the South Asian Region.' On this hope rests the future of millions of my fellow South Asians.

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STATISTICAL AND TABULAR DATA PROJECTIONS

Table 1.1. Projections of unemployment and poverty levels (Unemployment in per cent of labour force and poverty in per cent of population)

Country	Beginning/End years for Projection	Projections		
		1995–96	2006–06	2015–16
I. Bangladesh				
1 Unemployment	1981/1986	0 36	0.1	—
2 Poverty	a) 1974/1986	35.1	26.1	19.4
	b) 1973-74/1985-86	32.8	22 1	14 9
II. India				
1 Unemployment	a) 1977-78/1987-88	8.5	13.0	19.9
	b) 1983/1987-88	3.7	1 7	0 8
2. Poverty	a) 1970-71/1987-88	40.0	34.5	29 7
	b) 1983/1987-88	41 2	37 9	34.4
III. Nepal	1976-77/1984-85	1.1	0 5	
IV. Pakistan				
1 Unemployment	a) 1975/1987	4.6	7 5	12 1
	b) 1979/1987	2.6	2.2	1.78
2. Poverty	a) 1969-70/1984-85	19.7	13.3	9 0
	b) 1979/1984-85	19.7	13 3	9 0
V. Sri Lanka				
1. Unemployment	a) 1975/1990	14.8	15.5	16.3
	b) 1986/1990	10.8	6.0	3.3
2. Poverty	a) 1973/1986-87	28.9	35.2	43.0
	b) 1980-81/1986-87	34 4	51.0	75 0

Table 1.2 SAARC Food Security Reserve

Bangladesh	21,100	178,900
Bhutan	180	199,820
India	152,300	4,680
Maldives	20	199,980
Nepal	3,600	196,400
Pakistan	19,100	180,300
Sri Lanka	2,800	197,200
Total	200,000	1021,100

My Vision of the Future of South Asia and How Such a Future Should be Realised

Sonia Sharmin

South Asia has been compared to a tiger. To me, it seems to be a tiger born and bred in captivity. In emerging from the cage in which it tends to shelter itself, it proceeds with only hesitant steps. For the inhabitants of South Asia, aside from a few tribal peoples, are used to domination by outsiders and feel insecure when forced to rely on their own resources.

The Indian subcontinent was created by the British But before that, most of the seven countries comprising South Asia enjoyed their greatest days of glory under rulers born in the shadow of the Caucasus. The Moghuls, who are revered for their bounty and magnificence, did not consider South Asia to be the place they belonged to. Indeed, if we search in the annals of history, it is only rarely that we find the native people of this region assuming full control of their states.

The reason for my turning to histoy is that I believe that the past may be an indication of the South Asian people's adaption to subjection, and uncertainty and hesitancy in the wake of freedom. Asia, over the past two or three decades, has seen the emergence of quite a number of tigers, economic as well as political. It is not quite fair to anyone to say that the countries of the South-East and Eastern Asia had more advantages than we of South Asia and that we were extraordinarily exploited by our former foreign masters. Except Bangladesh which joined the ranks of free nations in 1971, most of the countries of Asia received independence after World War II. Also, excluding the Middle East, which

is distinct from the rest of the Asian world, none of the countries of Asia is overwhelmingly rich in mineral resources. So, looking at the present aspect of the world, there is no denying that South Asia is comparatively very backward.

Still, there is no cause for pessimism. "Pessimism never won any battle", Eisenhower once said. Things may have changed slowly over the past half-century or so after independence, but they have changed and there is no reason for believing that this transfomation will not continue. After all, if war-torn countries like Korea and Vietnam could have recovered, there is no reason why the countries of South Asia cannot follow suit. In our progress forward, we should take lessons from the past. By achieving a greater awareness of it, we can clarify the present. Alexander Ivanovich Herzen has truly said, "Digging deeper into the significance of what has gone before, we discover the meaning of the future; looking backwards, we move fowards."

My vision of the future of South Asia is necessarily an optimistic one. Of course, it depends on what we consider the future to be. Most of the countries tend to define the future as the year 2000—the three zeroes giving that year some kind of numerical finity. But, 2000 is only five years away and I really cannot think that tremendous changes will take place in such a short space of time. So, my future is a time taking place some fifty years hence.

Since the future of any region depends on the circumstances it finds itself in relation to other parts of the world, the state of the rest of the world contributes in a large measure to making that future bright or dim. The indisputed super-power of the moment, in both economic and political terms, is the United States of America. Whether it continues to remain so in the future is a question. After all, the economic condition is what constitutes power. Since the countries of Europe have passed their period of stagnation and, with the help of the European Union and the Common Market, have ventured on the path to greater economic benefits, it can be expected that their voices will grow stronger as the years pass by. The Eastern and South-eastern countries of Asia may also have the same said of them.

Economically speaking, the power of the European and the Asian countries is on the rise. Their example must directly influence South Asian policies and it is reasonable to anticipate a similar economic revolution taking place in this region.

But although wealth may be a deciding factor in the overall power of a country, it is certainly not the only factor. Actually, if we look at the powers which have emerged throughout history, we see that one of the main reasons for their wealth has been the quantity of land they possessed. Even Russia, which has undergone severe mismanagement at the hands of its rulers, finds itself surviving time after time. A principal cause of this survival is their vast expanse of land. But except for India, the countries of South Asia are relatively small in area. Pakistan is handicapped by having an unfriendly terrain. Also, South Asian countries suffer from an excess of population. So it is very difficult for any one country in this region to gain super-power status. Though not advocating that all countries of the region become one, I do believe that South Asia can only achieve her goal of prosperity by mid-21st century by being separate countries with one will.

South Asia has an area only about half the size of Europe, but with more inhabitants than North and South Amecica together. Up to now, this wealth of people has largely been regarded as a disadvantge. It is only towards the close of the twentieth century that a realisation has come that actually this is not so. The people of our countries can really be our foremost teasure. Where there is no such vast populace, the country's economy must depend on technology and heavy industry. But South Asia, with its innumerable inhabitants can produce a wide number of small industries with very little cost to the governments and can firmly expect them to generate wealth. This is a great advantage and my bright vision of the future rests on the trend that I see in this region to exploit this wealth to its full. Although the west can certainly show us the way in many things, it seems to me that South Asia's vision is simple and thus more applicable in a short time. We must not forget that the western countries, with all their technological

superioity, did not arrive at this pinnacle without striving for centuries. We, of South Asia, have not struggled for even a half-century.

Comparing our situation with other countries of the world, there is no cause for despair. Fortunately, the age of colonialism is over. South Asia was one of its most prominent victims. But that age has passed and although there are after-effects, nothing can ever be that bad again. We have regained our freedom and that is the first requisite for prosperity. Of all the regions of the world, South Asia may well be the most exciting place of residence in the coming years. Through all its tribulations, the seven countries are moving inexorably forward.

My vision of the future of South Asia is founded on the qualities of the people I see around me. For a long time, everyone was totally concerned with his own survival. It is only now that the vision of the common people has gone outward—they are concentrating on their development in relation to the environment. So when I contemplate the future, I see South Asia in the hands of entrepreneurs, who are both practical and believers in dreams. The future seems to lie with them and I have no doubt that they will succeed. Of course, my vision of a bright future for South Asia does not correspond with that prevailing in the western countries today, since our resources and cultures are distinctly different from theirs. I think our prosperity will come when we have the majority of our vast population harnessed in income-generating tasks, be they small or big. The time for policies to trickle-down has passed and it may be that it will be superseded by a literally trickle-up policy. The countries of South Asia should work together to achieve this goal.

Nepal and Bhutan are land-locked countries. But India, Bangladesh, Pakistan, Sri Lanka and the Maldives have access to the sea, and are placed in strategic positions. Even with the coming of planes, heavy merchandise is still conveyed by sea. The sea is thus a trading medium for these countries and it can be used efficiently. Although ships use the South Asian ports, it is with reluctance. Bureaucracy and unfair practices, which are the bane of South Asian society, cannot keep themselves from infesting the ports either. There

are frequent tales of harassment, mismanagement, inopportune delays—all frustrating and repugnant to foreigners. There are many regions of the world that are wealthier than South Asia so, if it is to compete with them, it must make up by its efficiency in all spheres. The present corruption that exists in local bureaucracy must be the first to be tackled. Rewards and incentives may be provided to ensure a corruption-free society.

South Asia's economy is mainly based on agriculture. Since the region is characterized by a high density of population in the farming areas, there has generally been very little economic development. Slowly but surely, this state of affairs is changing. With the help of many foreign non-governmental organizations, people, especially the womenfolk, are branching out into various professions that provide a supplementary income. Also, with the help of technology, rugged terrain has been transformed into arable land. This is especially remarkable in India and Pakistan where there are considerable drawbacks of aridity, unreliable rainfall and steepness of agricultural land. South Asia's main advantage in agriculture lies in the fact that the region spans a wide variety of climate, and soil has been made fertile by its network of rivers. In fact, if South Asia can make more efforts to introduce mechanized cultivation, there is no reason why the region should not become self-sufficient in food. Mechanized cultivation with help from improved technology can work wonders. The agricultural research institutes that have arisen throughout the region are in the forefront of creating an agricultural revolution. Most often, the discoveries they have made are simple and cost-effective. In the arid parts of the region, like the Thar desert, there are opportunities still for irrigating new lands.[1]

One of the greatest problems that faces agriculture is the transport system. As J.P. Cole has observed, "It is difficult for different regions to specialize in the crops (or livestock) they are best suited to produce (as happens in the U.S.A.) because the transport system would be unable to provide adequate facilities for the necessary inter-regional movement of goods". This problem can only be solved if a comprehensive study of the transport system is made. It is

not insoluble, and there is no cause to believe that the transport system will not continue to improve. After all, it certainly has not gone backward.

It is heartening to note that attention has been given to improving agriculture ever since independence, with widespread programmes aimed at educating the peasantry in the new techniques. In the 1950s and 1960s, model settlements were organised and co-operative farming widely encouraged, which were based mostly on communes of the erstwhile U.S.S.R. There have been some successes, but no outstanding improvement. It is better, I think, not to concentrate all our efforts around agriculture, but rather give support to activities concerning it, which help it to develop, yet at the same time open up new opportunities.

South Asia is fortunate in having coal, natural gas and iron ore deposits, but none of these are in very large reserves. The region is poorly provided with most other minerals. Coal has formed the basis for heavy industry only in some areas. In most places of South Asia, the amount of power consumed in manufacturing is small, and modern industrial development is largely confined to a few large towns, mostly in India. Further, modern industrial expansion based on hydroelectric power may be expected in parts of South Asia, but the importance of traditional domestic industries in rural communities should not be under-estimated and I believe that a great amount of future industrial expansion in the region should be expected in these sectors.

However, some modern industries do seem to thrive in this region. Of all the countries, India has perhaps best managed to provide a positive framework for her heavy industries. This may have happened partly because of her wealth in mineral resources. Be that as it may, the other countries would do well to emulate her. Pakistan and Bangladesh have achieved success in their textile industries. With India's expertise in engineering and her chemical industries, a new industrial region may be emerging. I sincerely hope so.

Overseas trade is vital to economic progress. Formerly, exports consisted mainly of agricultural raw materials. But that situation is changing. The garment industry of

Bangladesh is an instance of this. Its earnings have surpassed her jute exports; also, it has generated innumerable jobs for the poor women of the country. Still, the main emphasis is on agricultural products, as in Sri Lanka, where tea and rubber constitute the main export items. However, new and varied exports are also being introduced, and it is here that the region scents the coming of prosperity. It is when we see the South Asian nations exporting their manufactured products that we can surely expect to welcome a glorious future.

"A house divided against itself cannot stand." South Asia must become one house, with separate rooms. Only then can a vision of the future really become practical. SAARC (the South Asian Association for Regional Co-operation) is certainly the best weapon we have to effect this vision. A glorious future state will certainly be hard to reach, but with the assistance of this admirable organization, this is not impossible.

A strong South Asia can only exist when all of the countries of the region are strong. The European Union is on its way to becoming a super-power. It may falter, but it will surely reach its destination. A principal reason for this is that most of the countries can deal equally with each other. And with the fall of Communism, the economic divisions are vanishing. It must be the same with South Asia. The seven units of this great component must become strong in themselves, only then can they hope to effect an even stronger coalition. It is a pity that there have been frequent squabbles between these seven countries. It is in the interest of this region at large to maintain a state of political harmony Because of petty actions, a short-term benefit for any one nation may be achieved, but it will breed considerable ill-will in the long run and boomerang.

Religion and cultural diversities are also hindrances to a prosperous South Asian region. Over the years, and even now, this area has been torn by religious strife. The religious problem seemed to be overcome by the partition of the Indian subcontinent, but it is certainly by no means vanquished. As Maulana Abul Kalam Azad remarked, "The only result of the creation of Pakistan was to weaken the position of

the Muslims in the subcontinent of India." This fact may be disputed, but what cannot be contested is the Maulana's information concerning the two countries' defence. "Of the revenues of the Government of India, almost half goes to meet the expences of defence. Pakistan's position is, if anything, worse. In spite of the fact that she has only one fourth of the territories and armies of India, she is spending at least 100 crores from her own revenues besides the aid she gets from the United States. If we pause to think, we shall realise what a great national wastage all this involves. If this fund could be used for economic develoment, the progress of the country could be greatly accelerated."[2] The Maulana's dream has not yet been realized. India now maintains the world's fourth largest army. In the recently published budgets of India and Pakistan, the armed forces have certainly come out the winners. Pakistan has pledged fifteen thousand crores and India has invested forty five thousand crores in Bangladeshi currency (taka) for the defence of their respective countries. Both countries have entered the atomic race. All this is very disquieting for the continued peace of the region. If my vision of the future is to be realised, the disputes between these two largest countries of the region should be resolved through a process of compromise and tolerance.

In the colonial period, the countries of South Asia were not only politically kept under subjection and humiliated, but also suffered economic, social, cultural and spiritual degradation. Even now this process of exploitation by irresponsible authorities has reached a new height, causing widespread misery. There is no way to solve any of these urgent problems except through freedom. The content of this political freedom must be both economic and social. As the former President of the United States, Ronald Reagan, said in his Inaugural Address, "We must realize no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women."[3] The people of South Asia have won independence, but they still have not achieved complete political and economic freedom. Most of the seven countries have admirable constitutions, and in some, e.g. India, Pakistan, Bangladesh and Nepal, the

election of government officials is most often conducted in an honest manner. However, discrepancies in the system remain. And, true political freedom exists in a very few places: indeed, it is quite rare. This is one of the reasons for the continuing political instability in the region. It is unfortunate that the parties who suffer from political repression when in opposition, should not learn from their own suffering. Instead, they, in their turn, become the oppressors. South Asia abounds in instances where people have taken recource to the streets to protest against an unpopular regime. But their sacrifices have been rarely honoured in the proper fashion. Constitutional reforms have taken place, but the rulers have just changed faces. G.B. Shaw was right when he commented in his Revolutionist's Handbook, 'Revolutions have never lightened the burden of tyranny, they have only shifted it to another shoulder.' This is not the future that Gandhi, Nehru, Jinnah or Maulana Abul Kalam Azad dreamed of. Their work was to provide good constitutions, the groundwork for a people-oriented administration. They tried their best, and achieved solid results in most cases. A pity that the generation that is ruling today does not share their vision, and simply does not have enough moral conscience to uphold and continue their work. However, there is no reason to despair. These present failures can be pillars to future success, and the generation that is rising today has a better perspective than its elders.

The most vital and urgent of South Asia's problems is how to remove the curse of poverty and raise the standards of its people. Many policies that have been adopted by various nations have not always had the good of the people at heart—there are innumerable examples where self-interest of some powerful groups has over-ridden policies designed for the well-being of the common people. Although we say that a country's future rests upon all its people, it is nevertheless true that its leaders play the most important role. After all, they are the ones who give direction to the policies implemented by the masses. However, there seems to be little or no criteria for who should or should not join politics. The public service sectors are manned by persons of high calibre. But the leaders, the ministers, rarely have

the academic or moral qualifications needed for making the momentous decisions they must. Very often it is their wealth, business interests or connections that explain their presence in the higher echelons of government. Ministers should realise that there are experts on every subject, and it is folly to ignore their proposals or objections. Also there is a tendency for political parties founded by some extraordinary leader or another to elect as their head some member of his family after he has expired. This person is most often just a figurehead, and rarely inherits the political acumen of the person whom he or she is replacing. As a result, he loses control of his party and chaos gains the upper hand, hampering all efforts at development and breeding corruption. This is a tragic reversal to monarchy, instead of democracy.

Political nepotism must stop. Also political corruption must stop. Because there is no guarantee that once a person loses his ministerial or administrative post through a change of government he will not be harassed by the next government, he tries to exploit his position as much as he can. Corruption is thus rampant in South Asian countries. To stop this, it might be adjudged best to record the value of property owned by someone when he becomes a minister or occupies some other high position. This check on property should be made annually—this will certainly work as a deterrant to the practise of dishonest means.

Everything must be done with the primary object and paramount duty of benefitting the masses and raising their economic, cultural and spiritual level, removing unemployment, and adding to the dignity of the individual. For this purpose it will be necessary to plan and co-ordinate social development in all its diverse fields, to prevent the concentration of wealth and power in the hands of individuals and groups and to prevent vested interests inimical to society from growing. As James Joyce has said in *Ulysses*, "The movements which work revolutions in the world are born out of the dreams and visions in a peasant's heart on a hillside." Many peasants of the South Asian countries are still not endowed with the basic facilities that can leave them capable of dreaming. And very often their dreams are

bitter and are aimed at destroying society instead of constructing it.

The media is a strong weapon in modern times. Hopelessness and despair must not overtake it. With the passing of time, some cynicism has crept into the popular press. Actually, there should be a half of this litany of despair that is pervading the society. After all, the world is moving forward and South Asia is a part of that world. The scientists of India and Pakistan are catching up with the rest of the world's technology. Computers are being used all over the region. In Bangladesh, where inflation has been a major problem, prices are stabilising. I predict that there could be a doubling of gross national incomes of the countries of this region in a few years. Free market economy systems give South Asia a chance to break free of excessive regulation and inflation; it also gives the chance to improve the standard of our products. Since economic reforms are already in progress, there is no reason not to acticipate a boom and a revitalization that are more than economic.[4]

Another positive aspect of South Asia's development is ironically its delay in development. It has thus got a chance to witness and evaluate where other nations went wrong in their drive to prosperity. Already India's Supreme Court is being hailed as one of the most environment-friendly bodies in the world. Almost everywhere in this region, any proposal undertaken is always considered in relation to the environment and how it may be affected. Many mistakes remain though—the Farakka Barrage is an outstanding one. However, with time, these mistakes will be eradicated, I hope.

In the field of education also, the outlook is optimistic. It is interesting to note that though many countries of South Asia have a high illiteracy rate, the percentage of literate people going to colleges and universities is high in this region. In western countries, only the very rich and the meritorious get a university education. In Bangladesh, India, Pakistan and other countries, most people living in the cities can avail themselves of a university education, even if they are not possessed of remarkable merit. This is due to low tuition fees, and substantial government grants to the

universities. This trend in eduation leads to educated people on the look-out for worthwhile professions, and must lead to the region's development. To improve the rate of literacy, free primary education must be made available to all.

I have no doubt that my vision of South Asia will be realised. After all, even if there are quite a number of problems now, new technologies will profoundly change the way we live in the next few decades. Silicon-chip technology will put computers in everyone's life, relieving us of tedious clerical activities. As Herman Kahn has prophesied "Most people will be able to do more jobs than ever before More and more aspects of our private lives will be a breeze." The advances of the western world will naturally spill over into South Asia, and there is evidence that most of the nations in the area have already prepared themselves to utilise these. As a result, South Asia may well be able to leapfrog traditional development sequences and attain higher standards of living faster. This is already happening in many places. It is an indication of the coming prosperity that the middle-income group is slowly expanding its ranks and the South Asian nations are actually growing more rapidly than the rich ones.

Since affluence has usually had the effect in the modern era of dampening population growth, the population of this region should more or less level out in the mid-21st century. Besides, by keeping up the population control programmes and the pressure on education, population growth rate will continue to fall. The world is getting smaller, and even the most backward of areas will have to co-exist with that world by accepting its discoveries and innovations

Also, I believe that we can solve any anticipated problems concerning pollution or resources. But in this area, the nations of South Asia must help each other. With increased exploration for oil and gas, conservation and substitution of coal, nuclear power and natural gas for oil, we should have ample energy to carry us through.

The growth of unique organizations like the Grameen Bank of Bangladesh is a positive sign of mental and social growth. The people of South Asia seem to have rediscovered their originality and ingenuity and are becoming teachers

instead of perpetual scholars. The Sarvodaya Shramadana of Sri Lanka, the standard of hospitals and medicine in India, the growth of a cheap but efficient artificial-limb making industry, the processes of recycling in this region all herald a bright future. As in the implementation of the oral-rehydration programme, South Asia has now begun to lead the world in many respects.

After independence, the political elite emphasized socialistic principles of justice in most countries. In pursuance of a socialistic economy, government management was given the upperhand and private enterprise was discouraged in most sectors. They created government monopolies for handling import and export trade and brought the resources of industrial and commercial finance under goverment control. But those times have gone and now entrepreneures are being encouraged Emphasis on export-oriented industries through the private sector and promotion of agricultural production are the prominent features of the new development strategy. Governments of the region seem to have become convinced of the need for incentives to the public sector. Even India, where socialistic policies were more firmly implanted than elsewhere in the region, seems to have embraced capitalism with its entrepreneurial overtones In Bangladesh, the former President, General Ziaur Rahman categorically stated: "the government is ready to extend all possible support to the private sector for utilizing the full potential of the private entrepreneurs in stepping up the productive economic activities in the country." This is certainly hopeful in visualizing a great future for this region. In most countries, the Stock Exchange has been revitalized. To attract more ventures, the governments have made a lot of concessions—they can continue to do so.[5] Tax holidays may be granted to new business and industries for some years. More awards and certificates should be granted to the successful exporters. The new strategy of the region should encourage not only domestic private entrepreneurs, but also foreign private investment.

Another important feature of the new development strategy should be the promotion of agricultural production

through large-scale subsidies to the farmers. The agricultural banks and offices must be directed to lend all-out support to the peasants, and not concentrate on the big landowners only. Subsidies on modern varieties of wheat and rice, fertilizers, pesticides and irrigation facilities will increase the enthusiasm of the agriculturalists to produce more. In most cases, the tenant-farmers have no access to credit because the lands they farm are not owned by them, and the banks are reluctant to give loans without collateral. However, some banks have proved that this kind of thinking is unjustified. Bob Hope once jokingly remarked, "A bank is a place that will lend you money if you can prove that you don't need it." Banking institutions in South Asia are slowly overcoming this inclination, and are gradually opening their doors to all, thereby destroying the monopoly of the social elites. Loans should be provided to research institutes too. They must work with determination to discover improved varieties of crops, thus providing higher yields. Co-operation between the seven countries' research laboratories can lead to rapid agricultural breakthrough.

South Asia, on the road to private enterprise and capitalism, must not undergo the misery of the West. There, in the first stages of industrialization and development, labour conflicts and class struggles emerged. South Asia should beware of these dangers and it should be able to do so, since it has the past to learn from.

With all its prospects, South Asia really has no excuse for becoming pessimistic. What is most vital in our drive for a better life is the creation of a more positive vision of the future. Of course, the path to prosperity is rocky. There will be some victims—but hopelessness and despair certainly should have no place in South Asian societies. With so many developmental organizations springing up everywhere, the future has never seemed brighter. We should also beware of the dangers that lurk if we equalize development with westernization. Our religion and cultural identity should not be sacrificed—indeed, they are the mainsprings of our life. They can ensure that we do not succumb to the multitude of evils which follows capitalism. As Ruth Benedict has said in her book *Patterns of Culture*: "Culture provides

the raw material of which individuals make their lives."

Since South Asia's countries are at best fledgling democracies, the people and press of this area have a tendency to emphasize rights and privileges too much, responsibility and duty too little. Singapore's Prime Minister Lee Kuan Yew may have struck at the core of the matter when he remarked that the Philippines had too much freedom. Freedom is the most precious object, but it can be severely abused. Much is being said about personal freedom and needs, but very little about self-discipline and self-restraint. The latter may be what freedom really needs to nurture it. As John Stuart Mill has said in his essay, 'On Liberty', "The people, consequently, may desire to oppress a part of their number; and precautions are as much needed against this as against any other abuse of power. The tyranny of the majority is now generally included among the evils against which society requires to be on its guard "

But the inherent virtues of the South Asians should protect them. Their philanthropic impulses, risk-taking, rugged individualism will shine through, as well as the sheer mental and physical potential of the people. They will certainly realise all my visions of the future. Through them, the tiger has already started to roar.

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